United States Department of Commerce
Summary of Achievement under the Human Capital Standards for Success

Standard: Comprehensive Human Capital Planning

Implemented a comprehensive human capital plan, analyzed results and integrated them into decision-making processes to drive continuous improvement.

The Department of Commerce (DOC) implemented a Five-Year Workforce Restructuring Plan for FY2003 to FY2007 that was fact-based, focused on strategic results, incorporated merit principles, and supported the mission of the Department. This approach aligned with guidance from the Office of Management and Budget (OMB), the Office of Personnel Management (OPM), and incorporated the tenets of the Government Accountability Office's (GAO) strategic human capital management model. Beginning with the Chief Human Capital Officer's leadership, comprehensive workforce analyses, consultation with OPM and the National Academy of Public Administration, and the active participation of all bureaus, the Department identified three critical cross-cutting human capital challenges which, if not addressed, would seriously impact its capacity to perform. Although not unique to Commerce, these challenges below required a consistent approach to manage and maintain human capital:

- High rates of turnover in mission-critical occupations,
- Projected surge of retirements among the Senior Executive Service, and
- Need to strengthen competencies in technical, general and leadership areas to address mission changes, e-Government initiatives, and changes to the workforce such as competitive sourcing

In response to these challenges, the Department implemented a human capital framework that aligned with the Department's Strategic Plan, linked to the fiscal budget, measured performance, and ensured a diverse, qualified and high performing organization capable of meeting and exceeding the mission and goals of the organization. Through aggressive utilization of human capital flexibilities, extension and expansion of the Demonstration Project authority, targeted recruitment strategies, and innovative e-Government solutions for hiring and learning, the Department has effectively:

- ✓ Reduced overall turnover from 7.28% in 2001 to 4.36% in FY2004.
- ✓ Implemented leadership development programs, building an emerging leadership pipeline and ensuring continuity of leadership at the mid and senior levels of the organization.
- ✓ Deployed the Learning Management System (LMS) Department-wide to 38,000 employees. Enrolled over 600 employees in project management courses, offered Department-wide mentoring programs, promoted leadership and diversity forums, conducted Department-wide IT security awareness training, and initiated bureau-by-bureau contract management and acquisition management training to close identified skill gaps.

Highlights of human capital planning activities

At the Department level:

- ✓ Implemented the Five–Year Workforce Restructuring Plan for FY2003-FY2007.
- ✓ Incorporated the Proud-To-Be Strategic Goals into the Workforce Restructuring Plan. Completed all FY2004 Proud-to-Be goals. Initiated completion of Proud to Be II goals.
- ✓ Participated in providing guidance to the bureaus for budget formulation for FY2006, which linked Strategic Human Capital Management Initiatives to the Department's budget.
- ✓ Used the Department-wide Human Capital and Accountability Functional Partnership Group as an effective tool to provide leadership, strategic alignment and deployment of human capital initiatives throughout the bureaus.
- ✓ Demonstrated senior executive level commitment to implement the President's Management Agenda through the active participation of Commerce executives on the President's Management Council and Chief Human Capital Officers Council.
- ✓ Leveraged the existing Chief Financial Officer's Council (CFO) Council and the Human Resources Council as effective tools to provide oversight, link bureau performance and obtain resources for strategic human capital initiatives.
- ✓ Established bureau-level Human Capital Councils with management participation.
- ✓ Participated in cross-bureau collaboration with the Office of Acquisition Management for competitive sourcing and the CIO Council for e-Government Initiatives.

At the Bureau level:

- ✓ Analyzed trends and changes in science and technology, business and markets, and organizational and workforce characteristics to align program portfolios and required competencies (All)
- ✓ Projected workforce needs by identifying "to-be" scenarios to address competencies, staffing levels and e-Government requirements (PTO)
- ✓ Reengineered and streamlined operations. (BEA, Census, ITA, MBDA, NOAA, OS).
- ✓ Conducted workforce analyses, identified skills gaps, implemented training and development, and employed new recruitment activities to ensure technical competencies in place to meet the mission (All)
- ✓ Integrated workforce restructuring proposals and related program improvements to management operations (NTIA)
- ✓ Promoted knowledge-sharing, continuous learning and improvement, and a climate of open communications and high performance (All)

Standard: Optimized Organizational Structures

Analyzed and optimized existing organizational structures from service and cost perspectives, using redeployment and delayering as necessary and integrating competitive sourcing and e-Government solutions; and have a process in place to address future changes in business needs.

The Department currently employs almost 38,000 full and part-time permanent employees throughout the nation. Over the past two years, the Department restructured at the headquarters level, as well as the bureau levels to provide optimal organizational structures closely aligned with business operating units. In 2002, each bureau submitted current and proposed organizational structures, followed by plans to realign and/or reorganize, which the Department and/or OMB and Congress approved. The proposed reorganizations were designed to:

- Improve decision making
- Establish clearer accountability for performance
- Increase coordination of functions
- Improve economies of scale
- Flatten organizational structures

As the Department sought to provide leadership to accomplish various mission objectives, intra-agency groups were employed to exercise leadership and cascade policy, reinforce and broaden technical excellence across bureaus, facilitate the efficient use of resources, and balance competing agency objectives.

Through aggressive use of the Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Payments (VSIP), the Department reshaped its workforce by redeploying mid-level managers to provide front-line services, retraining or separating employees who possessed obsolete skills, reengineering work processes, and implementing portal technology to improve service delivery to our customers.

Additionally, the Departmental telework policy was issued in January 2003, as a way to leverage technology, maximize the use of available space, and retain highly qualified employees. All bureaus and operating units issued their policy and implementation plans, with the exception of NTIS, which is under review. The Department complied with the requirement that 100% of all eligible employees have an opportunity to telework. The U.S. Patent and Trademark Office (USPTO), with a workforce of over 6,000 employees, has become a recognized leader in Federal Government telework programs because of the support of executive leadership and the innovative use of technology. The USPTO telework program is results-oriented and focuses on telework as a best business practice. This model serves as an internal Departmental benchmark for the use of hoteling and telework.

Highlights of activities designed to optimize the organization

At the Department level:

- ✓ Abolished or eliminated designated senior executive positions and consolidated or transferred functions, established new positions and realigned functions to establish clear lines of accountability and reduce the time it takes to make decisions.
- ✓ Improved the Departmental supervisor to employee ratio from 1:8 in FY2002 to 1:9 in FY2004. Census, NOAA, and NTIA achieved a supervisor to employee ratio of 1:10.
- ✓ Redeployed more than 200 supervisors and senior specialists to front line positions throughout the bureaus.
- ✓ Completed 21 reorganizations, realignment and restructuring activities.
- ✓ Completed annual assessment of commercial activities and outsourced workers compensation function, the printing function and several information technology units.
- ✓ Reorganized the Office of the Secretary, Chief Financial Officer and Assistant Secretary for Administration, consolidating functional activities, eliminating redundancies and redeploying personnel to the Office of Finance, the Office of Human Resources Management and the Office of Acquisition Management.

- ✓ Implemented the Consolidated Reporting System, an executive management information system to provide a Department-wide perspective of all financial management data and key human capital indicators to the Secretary on his desktop, as well as drill down capability to bureau heads.

- ✓ Consulted with bureaus and approved for transmittal to OPM 12 requests for Voluntary Early Retirement Authority/Voluntary Separation Incentive Payments to reshape workforce competencies, by addressing the need for current and emerging competencies based on new technologies and evolving missions.

- ✓ Provided oversight for the execution of manageable and orderly reductions in staff at EDA and NIST.

- ✓ Completed the Annual Competitive Sourcing Plan for FY2003 and FY2004.

- ✓ Procured and deployed a Department-wide Quick Hire automated staffing solution with functionality to improve nationwide hiring, reducing the manpower needed to generate multiple announcements, in multiple locations.

At the Bureau level:

- ✓ NOAA engaged all employees in a top to bottom analysis (program management review) of all organizational functions, followed by an analysis conducted by Booz-Allen of their administrative operations. Additionally, NOAA HQ realigned the Office of Finance and Administration into functional units reporting directly to the Deputy Under Secretary. NOAA established a Transition Management Team to facilitate their movement to a functional management model for administrative and financial staff located in the field. The functional management model provides improvements over the existing management model;

most significantly, it provides a clear point of accountability in a senior functional manager for each area. This will ensure consistent policy application and service levels, as well as reduce the time it takes to make decisions. Follow-on efforts will involve the examination of budget and grants management processes within line organizations. NOAA successfully delayered its organization improving the supervisor ratio from 1:9.2 in FY2001 to 1:11.4 in FY2004.

✓ Streamlined Bureau of Economic Administration's (BEA) Associate Director for Management, consolidating 4 offices into 2 to focus on the mission, and creating a Division of Administrative Services and Communication Division to focus on administrataive functions.

✓ Executed a Congressionally approved reorganization of the Bureau of Industry and Security (BIS), transferred the Critical Infrastructure Assurance Unit function to the Department of Homeland Security, and implemented a bureau-wide succession plan in consultation with OPM.

✓ Executed a Congressionally approved reorganization at the Economic Development Agency (EDA) designed to reduce the number of headquarters positions, align the workforce with organizational goals, eliminate redundancies, synchronize competencies, and improve deployment of resources to the community.

✓ Initiated workforce planning for the 2010 Decennial Census in preparation for expansion of 12 Regional Census Centers and opening 32 local Census Offices in the same cities as the regional offices, thereby maximizing local management and adminstrative support to ultimately service 500,000 field staff working from their home.

✓ Reduced the supervisory workforce at the Bureau of the Census approximately 45% from 1503 in FY 2001 to 818 in FY 2004.

✓ Restructured 40 % of the National Telecommunications and Information Administration (NTIA). Changes in the Office of Spectrum Management and the Office of Policy Analysis reduced organizational layers and improved the supervisory ratio from 1:8 in FY2003 to 1:10 in FY2004.

✓ Completed the MBDA reorganization to flatten the organizational structure. Used web-based portal technology to provide front-line services nationwide. Contracted the IT solutions group, financial, procurement and human resources to other parts of DOC, allowing MBDA to concentrate on providing direct services to the customers.

✓ Census and NIST used a Human Capital Management Council, a Senior Management Board and a People Council, respectively, to put a process in place which addresses future changes in business needs and improves the effectiveness and efficiency of decision making processes.

✓ USPTO implemented a major reorganization as a result of the passage of the American Inventors Protection Act in 1999. Successfully implemented a new organizational structure, secured accountability and performance, and expanded the use of contract service to focus on core patent and trademark process. Expanded teleworking throughout the organization, realizing $1.5 million in savings based on hotelling of office space in the Trademarks Organization.

Standard: Succession Strategies Ensure Continuous Update of Talent

Succession strategies, including structured executive development programs, result in a leadership talent pool available and continuously updated to achieve results

Developing leaders with the competencies to succeed in achieving the analytic, economic and scientific mission of the bureaus continues to be a primary Departmental objective. At the outset of the President's Management Agenda, Commerce identified a number of interdependent human capital challenges:

- Identifying and assessing current and future competency requirements needed to achieve mission requirements
- Determining methods to ensure an effective pipeline at all levels of the organization
- Addressing systemic and organizational retention issues
- Executing effective leadership development competencies and transferring knowledge.

The Department followed a comprehensive succession blueprint to address these human capital challenges. Employing careful analyses of the pipeline for leadership of our twenty mission-critical occupations, the Department pinpointed and prioritized succession needs based on projected separations from turnover and retirements. The analyses examined separation trends, retirement projections, and disposition of women and minorities in technical and leadership positions. The Department also examined applicant pools and assessed the movement of Commerce employees through internal promotions and developmental assignments. Through open dialogue with managers and the cultural affinity groups, the Department invested in a series of leadership development programs and related training and developmental opportunities to build an environment that supports continuous learning and contains the necessary leadership to ensure a high performing organization.

The leadership development programs focused on mission-critical occupations and used multiple assessment criteria for each of the programs to include rating and ranking of the application package, structured competency-based interviews and use of the OPM Assessment Center process for the SES Candidate Development Program (CDP) and the Executive Leadership Development Program (ELDP). The Aspiring Leaders Development Program (ALDP) focused on those occupations that feed into the mission-critical occupations and used the rating and ranking of applications and structured interviews as the primary selection tools.

Highlights of succession strategies

At the Department level:

- ✓ Performed quarterly review and analyses of workforce attrition data in mission-critical occupations and by bureau.
- ✓ Implemented a two-year SES Candidate Development Program open to all departmental GS-14-15 and equivalent employees based on mission-critical occupation succession needs.
- ✓ Implemented a two-year Executive Leadership Program at the GS-13, GS-14 and equivalent levels.
- ✓ Implemented the Aspiring Leaders Program for GS-9 through GS-12 employees.
- ✓ Implemented a Department-wide program for mentoring
- ✓ Sponsored 4 leadership and diversity forums Department-wide.
- ✓ Provided training to political appointees on human resources, budget, acquisition and administrative issues.
- ✓ Conducted the Spring Financial Management Seminars to provide information and guidance to Commerce managers, as well as financial personnel on the 5 initiatives of the President's Management Agenda.
- ✓ Delivered 3 days of supervisory training to new supervisors.
- ✓ Used the Learning Management System and other automated systems to ensure knowledge transfer.
- ✓ Implemented a series of expert forums to leverage expert knowledge in the areas of research and analysis, strategic planning and performance measurement.
- ✓ Delivered mandatory performance feedback training for all supervisors, managers and teamleaders in expansion of the Demonstration Project.
- ✓ Used recruitment, retention and relocation flexibilities.
- ✓ Enrolled managers in a variety of leadership development programs such as the Federal Executive Institute, Harvard University's Kennedy School of Government, American University's Key Executive Program and the Brookings Institute.
- ✓ Lowered the average age of new hires from 41 in FY 2001 to 35 in FY2004 ensuring the potential for increased years of service.

At the Bureau level:

- ✓ All bureaus actively participated in the Departmental leadership development programs by providing senior executives to serve on interviewing panels, providing funding resources, serving as mentors, and identifying developmental assignments.
- ✓ In consultation with OPM, BIS developed a detailed succession plan, which identified technical competencies for mission-critical occupations.
- ✓ BIS, Census, and NTIA implemented structured rotational and detail assignment programs to provide employees the opportunity to enhance their competencies in mission-critical occupations.

- ✓ MBDA implemented a 7-point succession plan, which incorporated state-of-the art workforce planning, automated employee development activities, tracking and evaluation of competency attainment and a human resources information system (HRIS) to measure retention and placement data.
- ✓ NOAA designed and implemented an innovative Leadership Competency Development Program (LCDP) geared to GS-13 through GS-15 and equivalent employees to address specific NOAA–wide technical and leadership succession needs.
- ✓ USPTO curtailed attrition from 13.4% in FY2000 to 6.3% last fiscal year, with a midyear attrition at 5.5% in FY 2004, the lowest in a decade.
- ✓ Expanded new employee orientation sessions in the Bureau of the Census to include a variety of workshops, seminars, and courses over the course of one year. This innovative program is fostering new employee retention.

Standard: Performance Appraisal Plans Link, Differentiate and Provide Consequences

Performance appraisal plans for SES and managers that link to agency mission, goals and outcomes, effectively differentiate between various levels of performance, and provide consequences based on performance, are cascaded appropriately throughout more than 60% of the agency.

The results of the FY2002 Federal Human Capital Survey indicated that most (90%) employees believed that the Department's performance management systems provide clarity to employees and managers on the connection of their job to the overall mission of the agency. Building on this framework, the Department focused on strengthening a high performance culture and implementing a framework that cascades Departmental goals, to operating unit goals, to division goals to individual performance.

The Department effectively linked 100% of its senior executives' plans to meet agency mission requirements. Executive plans were standardized for accountability with a specific focus on implementing the President's Management Agenda. Plans have 5 levels of differentiation between high and low performance. At the headquarters level, only those executives who received an outstanding or commendable performance rating were eligible for any type of monetary award. The Department used an automated executive performance management system and ensured consistency for financial recognition through the performance and executive review board processes. The Department received provisional approval for its SES performance system. Having completed the first evaluation cycle under the new system, 49% of the SES received awards, down from a high of 80% in FY2003.

The Bureaus reported that 100% of their supervisory plans also cascaded from the SES plans. The Department reviewed a representative sample of the SES and bureau plans to confirm alignment and a distinction between high and low performance. Additionally, organizations established operating plans and unit metrics, which are linked to individual performance plans at the non-supervisory levels. For those bureaus in the Demonstration Project using a two-level system with an extensive point system, high performance will be recognized through the awards system. For those employees on Pass/Fail plans that are not in the Demonstration Project, meaningful distinctions in performance are also recognized through the awards programs. As one of its Proud to Be goals in FY 2005, Commerce directed those bureaus on 2-level systems to begin to develop multi-level plans beginning with the June performance cycle. All bureaus will operate under multi-level systems by the end of FY 2005.

Several bureaus joined the Office of the Secretary, Office of Human Resources Management in piloting and evaluating the Commerce Performance and Awards System. Additionally, the Department implemented the Consolidated Reporting System to provide a corporate perspective to allow the Secretary and Deputy Secretary to monitor real time financial and human capital performance indicators.

Overall the Department's performance management system, which featured the planning phase, employee discussions to align with the mission, and clear and substantial work assignments, focused on accountability for results.

**Highlights of
performance management, performance culture and
performance measurement activity**

At the Department level:

- ✓ Received provisional certification for the SES performance management system
- ✓ Standardized all SES plans to hold all senior executives accountable for high performance in leadership and customer service. The leadership element encompasses responsibilities to implement the President's Management Agenda, ensure the safety of the workforce and manage diversity.
- ✓ Linked 100% of SES plans to the agency mission and insured meaningful distinctions in performance.
- ✓ Engaged non-supervisory and supervisory employees in meaningful performance discussions to align specific responsibility and assignments to ensure achieving the organizational missions.
- ✓ Used the probationary period and performance improvement plans as vehicles to monitor, improve or correct poor performance.
- ✓ Completed analyses of performance and award distributions for FY02, FY03 and FY04 and provided feedback to bureau HR officers.
- ✓ Conducted a number of workload analysis projects to align competencies, staffing level and workload.
- ✓ Piloted and evaluated several automated performance management systems and automated balanced scorecards.
- ✓ Established a cross-functional, performance management business team to develop a unified, performance management system for the Department.
- ✓ Monitored the shift in the distribution of ratings Department-wide as Commerce made better distinctions between high and low performance, for example: The Office of the Secretary (OS) had a decrease of approximately 13% outstanding ratings since 2001, an increase to 38.4% commendable ratings, up from 28.3% in 2001, an increase from 9.1% fully successful ratings to 12.8% in 2003.

At the Bureau level:

- ✓ Participated in the Demonstration Project covering 3,425 NOAA employees in this pay for performance system. Set aside 1.5% of payroll for cash awards.
- ✓ Engaged the NOAA Diversity Working Group in identifying barriers to performance.
- ✓ Conducted an annual review of the performance management system at MBDA and NIST, which included an analysis of pay for performance increases, rating determinations and performance bonuses.

- ✓ Conducted an annual formal organization assessment, which evaluated the performance of each of its (USPTO) major program and functional areas as a basis for individual executive ratings.
- ✓ Recognized high performance with financial and honorary awards at the MBDA National Conference with outside stakeholders in attendance.
- ✓ Raised the standard for outstanding performance at Census to define as "being rare, with all performance targets consistently exceeded despite changing priorities, deadlines and resource shortages."

Standard: Reduce Under-representation and Establish Process to Sustain Diversity

Reduced under representation, particularly in mission-critical occupations and leadership ranks; established processes to sustain diversity.

Historically, minorities, women and people with targeted disabilities have been recruited and employed by the Department of Commerce. However, a closer look at the workforce composition, recruitment and retention trends, coupled with feedback from the affinity groups, identified areas for improvement in terms of Commerce's overall strategy for recruiting, orienting, positioning, and retaining diverse employees. Specific attention was focused on the overall employment of minorities and women in mission-critical and leadership positions. Hispanic employees and Native Americans were identified as the primary group Department-wide that had not attained a level of employment commensurate with their presence in the Relevant Civilian Labor Force (RCLF).

The three human capital challenges of high turnover, projected retirements, and competency acquisition presented a unique opportunity for Commerce to capitalize on its Strategic Human Capital mission, which is "to recruit, sustain and retain a high performing and diverse workforce." Commerce has worked to change the overall composition of the workforce at all levels of the organization by conducting comprehensive workforce analyses, aligning candidates with needed competencies, and providing improved technology solutions.

The Department accomplished the following:
- ✓ Developed a business case for Workforce Diversity and Capacity.
- ✓ Augmented the 5- Year Recruitment and Retention Plan with a targeted 90-Day High Impact Recruitment and Retention Plan.
- ✓ Used the Post Secondary Intern Program to host 60 diverse summer interns. Hired 5 of the 60 through the Student Career Employment Program (formerly Co-Op).
- ✓ Implemented the Student Ambassador program at the University of Texas, El Paso, Santa Cruz, and Amherst.
- ✓ Hired 40 Hispanics Department-wide during the first 3 quarters of FY 2004. After launching the 90-day High Impact Recruitment and Retention Initiative in the fourth quarter, an additional 21 Hispanics were hired, increasing the overall representation to 4.02%, up from 3.27%.

Highlights of under-representation and diversity

At the Department level:

- ✓ Conducted extensive analyses of workforce composition in the mission-critical occupations compared to the Relevant Civilian Labor Force.
- ✓ Implemented the 90-Day High Impact Recruitment and Retention Plan under the leadership of the Deputy Assistant Secretary for Administration.
- ✓ Expanded the Student Ambassador program to two other universities.
- ✓ Piloted the use of laptops on site at the LULAC Conference to register applicants.

At the Bureau level:

- ✓ Established extensive college relationships and executed Memoranda of Understanding with Minority Serving Institutions.
- ✓ Focused targeted recruitment initiatives on tribal colleges and Hispanic Serving Institutions.
- ✓ Used recruitment, retention and relocation incentives.
- ✓ Used special incentive pay awards.
- ✓ Attended the Monster Diversity Leadership Conference in preparation for interaction with 300 diverse student leaders.

Standard: Significant Reduction in Mission-critical Skill Gaps

Significantly reduced skill gaps in mission-critical occupations and competencies; integrated competitive sourcing and e-Government solutions into gap reduction strategy.

In the initial 5-year Workforce Restructuring Plan 2003-2007, the bureaus identified their mission critical occupations and required competencies to address the current and future mission needs and challenges. Twenty mission-critical occupations were identified. Commerce validated those occupations in FY 2003 and designed the subsequent succession strategy against those occupations, workforce trends and demographics, in order to recruit, train, and retain talent to close identified skill gaps. As a component of its knowledge management strategy, Commerce leveraged bureau best practices in competency model development, workforce development, and succession planning to address skill gaps in:

- General competencies
- Technical competencies
- Leadership competencies.

The Department took the lead in addressing leadership and general administrative competencies such as financial management, contract administration, human resources,

diversity and supervisory training. Bureaus took the lead in closing specific technical competencies, using VERA/VSIPs to rebalance the workforce and then backfill for newly identified and desired competencies. Using this strategy, Commerce accomplished the following:

- ✓ Deployed the Learning Management System Department-wide to provide an immediate tool to all employees to build employee skills. Commerce headquarters focused on leadership development, supervisory development, project management, acquisition and contract representation. At bureau levels, competency models for mission-critical occupations were developed, employee assessments conducted, and training commenced.
- ✓ The CIO's office developed, assessed and implemented IT project manager qualification guidelines resulting in a core of certified project managers at Commerce.
- ✓ The Office of Acquisition partnered with the Office of General Counsel to close a gap in management of agency MOU's by providing interactive training, posting sample agreements to the website and conducting mandatory training to bureau COTR's, office directors and analysts, resulting in a reduction of newly developed MOU's that did not meet all legal reviews.
- ✓ Developed and validated project management IT guidelines and administered surveys to all project managers. Department-wide approximately 600 employees have been trained in project management. Six employees from the Office of the Secretary achieved PMP certification as a direct result of training, and 20 are completing the preparation course for the certification exam in FY05.
- ✓ Commerce announced 3 leadership development programs and identified 35 employees for the SES CDP and ALDP respectively. For ELDP, the Department processed 158 applications. Final decisions for ELDP are forthcoming, but 35 slots have been allocated for the ELDP program making the total number of participants for the three programs 105. The senior leadership programs include 40 hours of core training from either OPM or the University of Maryland, 40 hours of public and global issues, developmental details and mentoring. The SESCDP and ELDP will last for up to 2 years each. The ALDP will run for 12 months and will include core training, development details and mentoring.
- ✓ Posted competency-based vacancy announcements for 13 positions in OHRM to hire for identified competencies in accountability, analysis, project management, human capital management and information technology. Used structured interviews and a panel process to insure high quality candidates.
- ✓ Reengineered the contract acquisition process and retrained employees to strengthen and align their competencies with warrant authority.
- ✓ Spent approximately $5.9 million from FY 2000 to FY 2003 for recruitment bonuses, retention allowances and relocation bonuses. The USPTO, the Census Bureau, NOAA and the Office of the Secretary were primary users of recruitment bonuses primarily for patent examiners, mathematicians, and information technology management. NIST was the largest user of retention allowances in the scientific community.

Highlights of activities to reduce mission-critical skill gaps

At the Department:

- ✓ Conducted extensive analyses of workforce composition in the mission-critical occupations compared to the Relevant Civilian Labor Force.
- ✓ Developed a skill gap matrix to document the percentage of skill gaps in mission critical occupations that were closed, narrowed, lessened or moved to a high priority list. (See Appendix A)
- ✓ Developed targeted recruitment strategies to address gaps in 6 disciplines Sciences (Biology, Meteorology, and Physics), law, engineering, computer sciences/IT, math/statistics, and management/administration.
- ✓ Established strategic relationships with twelve Minority Serving Institutions and Hispanic Serving Institutions.
- ✓ Executed Memoranda of Understanding for the Learning Management System, an e-Government initiative between OPM and the Department's 13 bureaus to achieve economies of scale and offer over 1100 courses on employee desk tops.
- ✓ Assessed Departmental leadership competencies and performance through a standard performance element for all senior executives.
- ✓ OHRM piloted an automated Competency Suite (Competency Plus) by GeoLearning, which allows supervisors/managers to self assess leadership, core and technical competencies, which are subsequently validated against the HR competency model for the supervisor/manager and reconciled with the rating official.

At the bureau level:

- ✓ Established extensive college relationships and executed Memoranda of Understanding with Minority and Hispanic Serving Institutions.
- ✓ Focused targeted recruitment initiatives on tribal colleges and Hispanic Serving Institutions.
- ✓ Used recruitment, retention and relocation incentives.
- ✓ Used special incentive pay awards.
- ✓ Attended the Monster Diversity Leadership Conference in preparation for interaction with 300 diverse student leaders.
- ✓ Within the Office of the Secretary, developed a business case to fill critical needs based on competencies and the offices capacity. Successfully added Hispanic employees and those possessing needed skills in strategic planning, project management, statistical processes, human capital planning and classification and staffing.

Standard: Establish and Implement an Accountability System.

Outcome measures are used to make Human Capital decisions, demonstrate results, make key program and budget decisions, and drive continuous improvement in the agency.

Throughout the implementation of the President's Management Agenda, the Department identified systems, programs and practices that continue to ensure that the Department's strategic goals and mission are achieved. To ensure accountability, the Department initiated a 4-pronged human capital accountability system that aligned with strategic planning and the budget and performance processes in order to capture and integrate human capital data at every step of the cycle. The CHCO led the efforts to foster overall performance and accountability at the individual and organizational levels in compliance with Executive Order 13197-Accountability and the Federal Managers' Financial Integrity Act. Organizationally, the Accountability Officer reported to the Director of Human Resources Management to ensure senior oversight for human capital accountability.

Secretary Evans emphasizes leadership to bureau heads through weekly Executive Management Team meetings and by using standardized critical performance elements to ensure accountability for PMA implementation, employee safety and security, and diversity of the workforce. Additionally, the Department successfully used senior intra-agency councils to ensure continuous progress and goal achievement. Through monthly meetings, internal review boards, planning activities and on-going dialogue of the Chief Financial Officers' Council, the Human Resources Management Council, the Chief Information Officers' Council and the Competitive Sourcing Advisory Committee, Commerce is positioned to ensure operational programs remain on schedule. Collaboration with these Councils ensures strategic HC integration.

The human capital accountability system includes oversight for strategic alignment, effective programs, efficient processes and practices, and legal compliance. In building the accountability program, the Department used a comprehensive set of measures to track the success of the management integration goal found in the Strategic Plan. The primary tools used to track progress were the GPRA metrics found in the Annual Performance Plan, the Executive Branch Scorecard and the Human Capital Assessment and Accountability Framework (HCAAF). In FY 2004 the Department accomplished the following:
- ✓ Met all 6 human capital targets for GPRA metrics in the Annual Performance Management Plan for FY 2004.
- ✓ Evaluated bureau submissions of their organizational performance as it aligned with implementation of the PMA.
- ✓ Designed a system of performance metrics for OHRM to link human capital measures to support the accomplishment of the Department's mission and identify areas for corrections, (e.g. designed an OHRM scorecard)

- ✓ Used survey methodology and data collection from a variety of automated systems and implemented improvements based on the data, (e.g., replaced COOL with Quick Hire based on the business case analysis).
- ✓ Conducted compliance reviews for the Office of Human Resources Operations, NOAA EASC, NOAA Corps and the U.S. Foreign Commercial Service.

Highlights of activities to establish and implement an accountability system

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At the Department level:

- ✓ Conducted a formal risk analysis and assessment of WebTA, a web enabled time and attendance system and addressed deficiencies by improving password and audit capability.
- ✓ Issued a broadcast email message to all employees providing guidance on the potential of fraud and abuse with degrees from diploma mills.
- ✓ Completed a significant project to update the Departmental Administrative Orders governing human capital issues.
- ✓ Identified and corrected a long-standing irregularity in the NOAA Corps by providing guidance and assistance to NOAA to ensure they complied with the statutory requirement for Senate confirmation of all appointments and promotions.
- ✓ Conducted oversight reviews to examine compliance with Departmental policies, delegated authorities, and statutory and regulatory requirements.
- ✓ Reorganized oversight of the Department's Contracting Officer's Technical Representatives, which is performed as a collateral duty by employees to improve accountability and institute a tighter system of checks and balances.
- ✓ Implemented an automated balanced scorecard for the Office of Acquisition Management
- ✓ Reviewed all Departmental SES plans for compliance with the SES pay for performance requirements. Consulted with OPM and the bureaus to ensure compliance. Developed and submitted a proposal to OPM for interim approval of the SES plans.
- ✓ Identified the need for and procured an automated Employee Notification and Accountability System in response to deficiencies noted in a Continuity of Operations Readiness exercise.

At the Bureau level:

- ✓ Used the Executive Branch Scorecard to report quarterly to the Department on human capital initiatives.
- ✓ Prepared for and participated in accountability and oversight reviews.
- ✓ Used the Organizational Assessment Survey to assess employee satisfaction and change agents to probe and address survey findings.

- ✓ Tracked staffing timeliness measures through the Department's Staffing Timeliness Measures (STM) system. Reduced hiring cycle times from 146 days to 31 days.
- ✓ Used internal enterprise data warehouses to access data, and monitor and evaluate human capital performance in critical areas.
- ✓ Tracked employee job satisfaction as one of 18 ITA-wide performance measures.
- ✓ Deployed enhanced human resources automation systems at the Census Bureau to managers and employees such as the Census Human Resources Information System 2.0 for SF-50 processing and self service options, and Personnel Action and Resource System, a tracking system for personnel actions, that significantly reduce processing time for key service allowing HR staff to focus on more substantive tasks,

Next Steps: Achieve the Proud-to-Be Goals for FY2005

The Department has established a solid framework on which to expand the human capital framework. Work begins in earnest to leverage the early implementation pilots and expand them Department-wide, capitalizing on bureau strengths in innovation and creativity, which have resulted in emerging and best practices. The senior level councils and the Workforce Restructuring Counterpart Group serve in leadership roles to ensure full coordination and cooperation throughout the Department.

In the coming year, the focus will be on achieving the Proud to Be Goals for FY2005 as identified below. These goals are again linked to the Strategic Plan and build on the human capital framework. In anticipation of an upgrade to green on the Executive Branch Scorecard, below is a high-level list of outcomes and/or expected results based on our key priorities:

- Update and implement a future-focused, proactive Departmental Human Capital Strategy for recruitment, succession planning and retention.
- Optimize the organizational structure and complete 2 bureau "mini-makeovers" to improve supervisor-to-employee ratios and administrative ratios.
- Institutionalize the succession strategy and ensure a cadre of competent and diverse leaders.
- Migrate to a new LMS and deploy enhanced capability.
- Transition all bureaus on a 2-level rating system to multi-level systems and work collaboratively with all bureaus to calibrate the Department's performance management system.
- Continue to reduce under-representation in leadership and mission-critical positions and strengthen the process to sustain diversity
- Deploy an e-Government solution to hire for needed competencies that provides stronger outreach to diverse candidates and stronger audit/accountability capability.
- Improve hiring cycle times for senior executives and employees.
- Strengthen the accountability and oversight system to drive continuous improvement

Key Milestones for the Department of Commerce

FY 2004 – Fourth Quarter

- Implemented FY 2004 SES Candidate Development Program
- Implemented FY 2004 Aspiring Leaders Development Program
- Continued assessing and closing competency gaps for IT project management, contract acquisition, supervision, and financial management
- Submitted to OPM/OMB a request for certification of SES and senior professional employees' performance management systems

FY 2005 – First Quarter

- Identified bureau requirements for improvement to the LMS system. Initiated the processes to validate all users are on-line, develop blended learning and implement solutions
- Implemented FY 2005 Executive Leadership Development Program
- Implemented the Federal Human Capital Survey with a 53% response rate
- Provided guidance to bureaus on transitioning pass/fail performance management systems to multi-level performance management systems
- Undertake further restructuring of the Department according to human capital plans (Q1/2005-2007)

FY 2005 – Second Quarter

- Conduct Recruitment and Hiring Summit
- Complete bureau "Mini Makeover" in ITA
- Conduct accountability reviews for targeted organizations (Q4/2004-2008)
  Note: OPM agency-wide human capital review/audit slated for FY 2005

FY 2005 – Third Quarter

- Analyze the Federal Human Capital Survey results and implement changes
- Complete bureau "Mini Makeover" in NOAA personnel, budget and grants arenas
- Participate in Departmental planning and budget reviews (Q3/2005-2008)
- Assess need for any further performance management training for senior professionals